

**MARYLAND HEALTH CARE COMMISSION**

**BID BOARD NOTICE**

**Procurement ID Number: MHCC 07- 022**

**Issue Date: September 28, 2006**

**Title: Task Order – Modeling the effects of adopting the small group rating rules in the 1993 NAIC Small Group Model Legislation**

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**I. Procurement Objectives**

**A. Summary Statement**

The Maryland Health Care Commission (MHCC) is soliciting proposals from qualified vendors to perform health policy analyses on a range of issues requiring both policy experience and analytic/modeling expertise.

The MHCC is seeking a qualified vendor to model the potential impact on Maryland insurance markets if Maryland were to adopt the risk rating standards embodied in the 1993 Small Group Model Legislation developed by the National Association of Insurance Commissioners (NAIC). These rules permit insurers to vary premiums by age, gender, industry, firm size and health status, in addition to geography and family status. This differs from the modified community rating model now used in Maryland's small group market, which permits premiums for a given plan to vary only by average age of the group, by family status, and by geography.

The MHCC is a public, regulatory commission, consisting of 15 Commissioners who are appointed by the Governor, with the advice and consent of the Maryland Senate. The mission of the Maryland Health Care Commission is to plan for health system needs, promote informed decision-making, increase accountability, and improve access by providing timely and accurate information on availability, cost and quality of services to policy makers, purchasers, providers, and the residents of Maryland.

**B. Term of Contract**

The contract will begin on or about October 15, 2006 and will end November 20, 2006.

**C. Issuing Office**

The issuing office for this solicitation is the Maryland Health Care Commission, Sharon M. Wiggins, Procurement Specialist, 4160 Patterson Avenue, Baltimore, Maryland 21215.

#### D. **Submission Deadline**

In order to be eligible for consideration, an original and five copies of each proposal must be received at the Commission office by **4:00 p.m. Eastern Standard Time on Friday, October 6, 2006** in order to be considered. **All bids must include Federal Identification Tax Numbers.** Vendors mailing proposals should allow sufficient mail delivery time to ensure timely receipt by the Commission. Bids may also be e-mailed to [swiggins@mhcc.state.md.us](mailto:swiggins@mhcc.state.md.us)

For additional information contact Bruce Kozlowski, Director, Center for Health Care Financing and Policy at:

Phone: (410) 764-3482  
FAX: (410) 358-1236  
e-MAIL: [bkozlowski@mhcc.state.md.us](mailto:bkozlowski@mhcc.state.md.us).

#### E. **Procurement Method**

The procurement method for this solicitation is a Small Procurement as described in the Code of Maryland Regulations (COMAR) 21.05.07. **The maximum award allowed under these regulations is \$25,000. The award under this notice is limited to \$15,000.**

### II. **Services to be Performed**

The vendor shall model the potential impact on Maryland insurance markets if Maryland were to adopt the risk rating standards embodied in the 1993 Small Group Model Legislation developed by the National Association of Insurance Commissioners (NAIC). These rules permit insurers to vary premiums by age, gender, industry, firm size and health status, in addition to geography and family status. This differs from the modified community rating model now used in Maryland's small group market, which permits premiums for a given plan to vary only by average age of the group, by family status, and by geography.

The analysis should model changes in the number and characteristics of individuals insured in the SGM and the distribution of premium changes resulting from adoption of the standards. The ability to estimate these effects by employer size within the SGM is desirable. In addition to modeling the effects on the SGM, the analysis should also model the effects on Medicaid enrollment and costs, on the number of individuals insured in the non-group market, and on the number of uninsured individuals in Maryland. The analysis should assume that the mandates adopted by the Commission for the small group market remain in effect.

### III. **Selection Process**

#### A. **Specifications**

Bidders shall submit their bids with specifications outlining their capability, experience and knowledge of both private insurance markets and public sector financing programs.

#### B. **Qualifications**

Bidders must include personnel who have held health policy positions in the federal or state government, preferably at DHHS, CMS, ASPE, Treasury, GAO, or OMB, and who in addition have experience in the private sector providing analytic services or policy

analysis and recommendations. Familiarity with insurance principles including risk selection and risk adjusted premiums is essential.

A thorough knowledge of federal programs and policies including ERISA and HIPAA is assumed, as is knowledge of current states' initiatives to restructure the health insurance market. Specific understanding of Maryland's economy, health care sector, regulatory environment, and insurance market is required in order to assess how current proposals might best be adapted to Maryland.

### **C. Evaluation Of Bids**

An Evaluation Committee will be appointed by the Issuing Office to evaluate all bids. The Evaluation Committee may request additional technical assistance from any source. The bids will be evaluated on the following criteria:

- Experience and qualifications of the proposed staff
- Expertise in analyses and modeling
- Demonstrated ability to perform the specific analyses outlined in Section II.
- Expertise with insurance principles including risk selection and risk adjusted premiums
- Expertise in analyzing health benefit plans in a variety of delivery systems
- Have sufficient facilities and personnel to meet proposal requirements and time frames

## **V. Information Required in Bidder's Proposals**

### **A. Transmittal Letter**

A transmittal letter prepared on the offeror's business stationery is to accompany the original and required copies of this proposal. The purpose of this letter is to transmit the proposal; therefore, it should be brief. The letter **MUST** be signed by an individual who is authorized to bind his/her firm to all statements, including services and prices contained in the proposal.

### **B. Specifications and Deliverables**

This part should be prepared in a clear and precise manner. It must address all appropriate points of this proposal, and contain the following information:

1. Statement of the Problem
  2. Corporate Qualifications
  3. Experience and Qualifications of the Proposed Staff
  4. Proposed modeling
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1. The "Statement of the Problem" should demonstrate clearly the bidder's understanding of MHCC's objectives and goals.
  2. The "Corporate Qualifications" section should describe the overall capabilities of the organization to meet the requirements and time-frames. It should include descriptions of selected engagements for other clients involving services similar to those requested by

this proposal which were successfully performed by the offeror, as well as the process the organization used to ensure that delivered products met customer needs.

A minimum of three references from firms, organizations, etc., for whom work of a similar or related nature to this proposal was completed should be included. Each reference should identify the name of each organization, point of contact, and telephone number. The MHCC shall have the right to contact these or any other references of its choosing as part of the evaluation and selection process, or not to contact some or all references if deemed appropriate.

The offeror must also explain how it will be able to maintain its independence and objective in carrying out the requirements of this proposal.

3. The “Experience and Qualifications of the Proposed Staff” section should describe how the proposed staff experience and qualifications relate to their specific responsibilities as detailed in the work plan for this procurement.

The bid should include individual resumes for the key personnel who are to be assigned to the project. Subcontractors, if any, must be identified, and a detailed description of their contributing role relative to the requirements of the proposal should be included in the proposal. Each resume should include the amount of experience the individual has had relative to the work called for in this solicitation. Letters of intended commitment to work on the project from all key personnel, including subcontractors, should be included with the proposal.

4. The “Proposed Modeling” section should describe the model to be used, its past application to similar analyses, and extent to which the final report of the modeling will provide the information outlined in Section II.

### **C. Project Cost**

The budget must identify:

- each person who will work on the project, with the types of work to be performed and the proposed hourly rate, inclusive of benefits
- any other classes of charges likely to be incurred in the course of the contract, and how the charges will be established and billed,
- travel will be reimbursed according to the State of Maryland’s travel policy
- any global overhead and administrative charges that will be applied to contract billings.

**MINORITY BUSINESS ENTERPRISES ARE ENCOURAGED TO RESPOND TO THIS SOLICITATION**